

**PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA**

**DOCKETING DEPARTMENT**

**SUPPLEMENTAL NOTICE OF HEARING  
AND PREFILED TESTIMONY DEADLINES**

**DOCKET NO. 2008-2-E**

**SOUTH CAROLINA ELECTRIC & GAS COMPANY – ANNUAL REVIEW  
OF BASE RATES FOR FUEL COSTS**

This Supplemental Notice relates to a request by South Carolina Electric and Gas Company (“SCE&G” or “the Company”) regarding the disposition of a positive collection balance in the company’s accounts related to municipal fee payments, which the Company has proposed to address in the context of the Commission’s annual review of base rates for fuel costs. S. C. Code Ann. Section 58-27-865 (Supp. 2007) established a procedure for annual hearings to allow the Public Service Commission of South Carolina (“the Commission”) and all interested parties to review the fuel purchasing practices and policies of SCE&G and for the Commission to determine if any adjustment in the fuel cost recovery mechanism is necessary and reasonable.

In December 2007, SCE&G informed the Commission, through written correspondence, of a positive collection balance in the Company’s accounts related to municipal fee payments. Municipal fees are paid by SCE&G for the privilege of using municipal streets, alleys, and other public places for the provision of electric and gas service and are passed through to its customers residing in municipalities in South Carolina.

SCE&G proposes to credit approximately \$27 million of the positive collection balance to the Company’s environmentally-related fuel costs, and \$10.5 million to the demand charge cost of gas calculation for the residential and small and medium general service customer classes during the month of December, 2007. The Company also proposes that, going forward, it be allowed to record current-year municipal fee payments as a pre-paid expense on the balance sheet. Further, SCE&G proposes, going forward, to record current-year collections as other electric or gas revenue, as appropriate, net of the amortization of the prior year prepayment. The Company states that, in this manner, future balances would not be allowed to accumulate, but instead would flow through operating results as regulated income to offset current operating expenses and mitigate the effects of inflation and other pressures on rates.

SCE&G’s Annual Review of Base Rates for Fuel Costs proceeding has been scheduled to begin at **10:30 a.m. on March 27, 2008**, in the Commission’s Hearing Room, Synergy Business Park, 101 Executive Center Drive, Columbia, South Carolina.

Any person who wishes to participate as a party of record regarding the municipal fee payment issue, with the right of cross-examination, and who has not filed a general

Petition to Intervene, should file a Petition to Intervene Regarding the Municipal Fee Payment Issue in accordance with the Commission's Rules of Practice and Procedure, on or before **March 7, 2008**, and indicate the amount of time required for his presentation. ***Please refer to Docket No. 2008-2-E.***

Any person who wishes to testify and present evidence on the municipal fee payment issue should notify the Docketing Department, in writing, at the address below, the Office of Regulatory Staff, at P.O. Box 11263, Columbia, South Carolina 29201 and K. Chad Burgess, Esquire, South Carolina Electric and Gas Company, 1426 Main Street, MC 130, Columbia, South Carolina 29201 on or before **March 7, 2008** and indicate the amount of time required for his presentation. ***Please refer to Docket No. 2008-2-E. Please note that the Commission has established a deadline for the prefiling of direct testimony related to the municipal fee payment issue by intervenors of March 14, 2008. Reply testimony must be prefiled and in the hands of all parties of record on or before March 24, 2008.***

Any person who wishes to be notified of any change in the hearing date, but does not wish to present testimony or be a party of record, may do so by notifying the Docketing Department, in writing, at the address below on or before **March 7, 2008**. ***Please refer to Docket No. 2008-2-E.***

**PLEASE TAKE NOTICE:** Any person who wishes to have his or her comments considered as part of the official record of this proceeding **MUST** present such comments, in person, to the Commission during the hearing.

Persons seeking information about the Commission's Procedures should contact the Commission at 803-896-5100.

Public Service Commission of South Carolina  
Attn: Docketing Department  
Post Office Drawer 11649  
Columbia, South Carolina 29211

1/16/08